MIC

Form (2)

The Myanmar Investment Commission

PERMIT

Permit No. 402/ 2005 *Date* 3.5.2005

The Myanmar Investment Commission issues this Permit under Section 10 of the Union of Myanmar Foreign Investment Law -

(a) Name of Promoter MANAGING DIRECTOR, MYANMA OIL & GAS ENTERPRISE

(b) Citizenship MYANMAR

(c) Address NO.74/80, MIN YE KYAW ZWAR ROAD, YANGON

(d) Name and address of principal organization MYANMA OIL & GAS ENTERPRISE NO.74/80, MIN YE KYAW ZWAR ROAD, YANGON

(e) Place of incorporation YANGON

The name of the Company amended as per resolution made by the Trade Council at its meeting 9/2007 dated 14-3-2007.

(signature) 6.6.07

(Mya Thuza)
Director

(f) Type of business in which investment is to be made EXPLORATION & PRODUCTION OF OIL & GAS

(g) Place (s) at which investment is permitted BLOCK A-2 RAKHINE OFFSHORE AREA

(h) Amount of foreign capital US $ 22.25 MILLION

(i) Period for bringing in foreign capital 2005 TO 2012

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US $ 22.25 MILLION

The name of the Company added as per resolution made by Cabinet at its meeting 4/2006 dated 26.1.2006.

(signature)

(Mya Thuza)
Director

(k) Permitted duration of investment 6 YEARS AND 3 MONTHS + 1 YEAR (W.E.F 2.8.2011 to 1.8.2012)

(l) Name of the economic organization to be formed in Myanmar ~~ESSAR OIL LTD, ESSAR EXPLORATION AND PRODUCTION MYANMAR LIMITED.~~

ESSAR EXPLORATION AND PRODUCTION SOUTH EAST ASIA LIMITED(EEPSEAL)

Amended as per resolution made by Myanmar Investment Commision at its meeting (12/2011) dated (1.8.2011)

(signature)

(Thuya U Thaung Lwin)
Joint Secretary

(signature)

Chairman
The Myanmar Investment Commission

မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ...၄၀၂/၂၀၀၁...   ၂၀၀၁ ခုနှစ်၊   မေ လ ၃ ရက်။

ပြည်ထောင်စုမြန်မာနိုင်ငံတော် နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု ဥပဒေပုဒ်မ ၁၀ အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည် -

(က) ကမကထပြုသူ၏အမည် ...ဦးဆောင်ညွှန်ကြားရေးမှူး၊ မြန်မာ့ရေနံနှင့်သဘာဝဓါတ်ငွေ့လုပ်ငန်း...

(ခ) မည်သည့်နိုင်ငံသား ...မြန်မာ...

(ဂ) နေရပ်လိပ်စာ ...အမှတ် ၇၄/၈၀၊ မင်းရဲကျော်စွာလမ်း၊ ရန်ကုန်မြို့။...

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့်လိပ်စာ ...မြန်မာ့ရေနံနှင့်သဘာဝဓါတ်ငွေ့လုပ်ငန်း၊ အမှတ် ၇၄/၈၀၊ မင်းရဲကျော်စွာလမ်း၊ ရန်ကုန်မြို့။...

(င) ဖွဲ့စည်းရာအရပ် ...ရန်ကုန်မြို့...

(စ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်မည့်လုပ်ငန်းအမျိုးအစား ...ရေနံနှင့်သဘာဝဓါတ်ငွေ့ရှာဖွေတူးဖော်ထုတ်လုပ်ရေး လုပ်ငန်း...

(ဆ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်ခွင့်ပြုသည့်အရပ်ဒေသ(များ) ...လုပ်ကွက်အမှတ်၊ A-2 ရခိုင်ကမ်းလွန်ဒေသ...

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း ...အမေရိကန်ဒေါ်လာ ၂၂.၂၅ သန်း...

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ...၂၀၀၅ ခုနှစ်မှ ၂၀၁၂ ခုနှစ်အထိ...

(ည) စုစုပေါင်း မတည်ငွေရင်း ပမာဏ(ကျပ်) ...အမေရိကန်ဒေါ်လာ ၂၂.၂၅ သန်းနှင့်ညီမျှသောမြန်မာကျပ်ငွေ...

(ဋ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့်သက်တမ်း ...၆ နှစ်နှင့် ၃ လ + ၁ နှစ် (၂.၈.၂၀၁၁) နေ့မှ (၁.၈.၂၀၁၂) နေ့အထိ...

(ဌ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် စီးပွားရေးအဖွဲ့အစည်းအမည် ...
~~ESSAR OIL LTD., ESSAR EXPLORATION AND PRODUCTION MYANMAR LIMITED.~~
ESSAR EXPLORATION AND PRODUCTION SOUTH EAST ASIA LIMITED(EEPSEAL)

၁၄-၃-၂၀၀၇ ရက်နေ့တွင်ပြုလုပ်သည့်ကုန်သွယ်မှုမူဝါဒကောင်စီ၏ (၉/၂၀၀၇) ကြိမ်မြောက်အစည်းအဝေးဆုံးဖြတ်ချက်အရ ကုမ္ပဏီအမည်ပြင်ဆင်သည်။
(မြသူဇာ)
ညွှန်ကြားရေးမှူး

၂၆-၁-၂၀၀၆ ရက်နေ့တွင်ပြုလုပ်သည့်အစိုးရအဖွဲ့၏ (၄/၂၀၀၆) ကြိမ်မြောက်အစည်းအဝေးဆုံးဖြတ်ချက်အရ ကုမ္ပဏီအမည်တွင် ဖြည့်စွက်သည်။
(မြသူဇာ)
ညွှန်ကြားရေးမှူး

၁.၃.၂၀၁၁ နေ့တွင်ပြုလုပ်သည့် ကော်မရှင်၏ (၁၂/၂၀၁၁) ကြိမ်မြောက်အစည်းအဝေးဆုံးဖြတ်ချက်အရပြင်ဆင်သည်။
(သူရဦးသောင်းလွင်)
တွဲဘက်အတွင်းရေးမှူး

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

Confidential

REPUBLIC OF THE UNION OF MYANMAR
MYANMAR INVESTMENT COMMISSION
Building No.(32), Nay Pyi Taw

Our ref: Yaka-7(kha)/Na-264/2011 (၁၀၇၉) Tel 067-406334,406075
Dated : 7th October 2011. Fax - 095-067-406333

Subject: Decision of the Myanmar Investment Commission to renewal of the tenure of Essar Exploration & Production South East Asia Limited A-2 (EEPSEAL) for the extension of one year.

Reference: Ministry of Energy, Letter No. 008 / 616 Hta (548/2011) dated (13-9-2011)

1. The Myanmar Investment Commission, at its meeting (12/2011) held on (1-8-2011) resolved to approve the renewal of the tenure of Essar Exploration & Production South East Asia Limited A-2 (EEPSEAL) in Rakhine Offshore Area for an extension of one year.

2. Hence, the renewal of the tenure is hereby extended for another one year starting from (2-8-2011) up to (1-8-2012). Accordingly, this will also extend the validity of Permit No. 402/ 2005 dated (3-5-2005) up to the above.

3. It is also hereby notified that Essar Exploration & Production South East Asia Limited A-2 (EEPSEAL) shall have to abide by all the terms and conditions stated in the Commission's Letter No. Ya Ka-1/ Na-567/2005 (3121-Ah) dated (3-5-2005).

For Chairman
(Thuya U Thaung Lwin, Joint Secretary)

Managing Director
Myanma Oil and Gas Enterprise

Confidential

ESSAR A-2 (Decision)

CC.

1. Office of the Government of the Republic of the Union of Myanmar
2. Ministry of National Planning and Economic Development
3. Ministry of Finance and Revenue
4. Ministry of Commerce
5. Ministry of Construction
6. Ministry of Foreign Affairs
7. Ministry of Home Affairs
8. Ministry of Immigration and Population
9. Ministry of Labour
10. Ministry of Electric Power (2)
11. Director General, Directorate of Investment and Company Administration
12. Director General, Customs Department
13. Director General, Internal Revenue Department
14. Managing Director, Myanma Foreign Trade Bank
15. Managing Director, Myanma Investment and Commercial Bank
16. Managing Director, Myanma Insurance
17. Managing Director, Myanma Electric Power Enterprise
18. Director General, Directorate of Trade
19. Director General, Immigration and National Registration Department
20. Director General, Directorate of Labour
21. Chairman,the Republic of the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI)
22. Essar Exploration & Production South East Asia Limited A-2 (EEPSEAL)

Confidential

GOVERNMENT OF THE UNION OF MYANMAR

MYANMAR INVESTMENT COMMISSION

Our ref : Ya Ka-1/Na-567/2006(1892)
Dated : 24 March 2006.

Tel : 372219, 372890
Fax : 095-01-254660

Subject : Decision of the Myanmar Investment Commission to add of the Name of the Company.

Reference: Ministry of Energy, letter No.008/623/Hta-1, dated 4-12-2005.

1. The Cabinet, at its meeting (4/2006) held on (26-1-2006), had resolved that the name of " Essar Oil Ltd." be added as "Essar Oil Ltd, Essar Exploration and Production Myanmar Limited" pursuant to Deed of Assignment signed between Essar Oil Ltd and Essar Exploration and Production Myanmar Ltd..

2. Hence, the Name of the Company is hereby added as "Essar Oil Ltd, Essar Exploration and Production Myanmar Limited "accordingly on the Permit No.402/2005 dated 3-5-2005.

3. Essar Oil Limited shall, in accordance with the Myanmar Companies Act, report to the Directorate of Investment and Company Administration the assignment of undivided 75% participating Interest and Operatorship of the respective PSCs to Essar Exploration and Production Myanmar Limited under the Deed of Assignment between Essar Oil and Essar Exploration and Production Myanmar Limited.

4. It is also hereby notified that Essar Oil Ltd, Essar Exploration and Production Myanmar Limited shall have to abide by all terms and conditions stated in the Commission's Letter No Ya. Ka-1/Na-567/2005 (3121-Ah) dated (3-5-2005)

By Order,

(Mya Thuza)
Director

Managing Director
Myanma Oil and Gas Enterprise

cc:
1. Office of the Chairman of State Peace and Development Council
2. Office of the State Peace and Development Council
3. Office of the Government of the Union of Myanmar
4. Office of the Chief of Military Intelligence, Ministry of Defence
5. Ministry of National Planning and Economic Development
6. Ministry of Finance and Revenue
7. Ministry of Commerce

8. Ministry of Energy
9. Ministry of Foreign Affairs
10. Ministry of Home Affairs
11. Ministry of Immigration and Population
12. Ministry of Labour
13. Ministry of Electric Power
14. Chairman, Foreign Capital Evaluation Committee
15. Director General, Directorate of Investment and Company Administration
16. Director General, Customs Department
17. Director General, Internal Revenue Department
18. Managing Director, Myanma Foreign Trade Bank
19. Managing Director, Myanma Investment and Commercial Bank
20. Managing Director, Myanma Insurance
21. Managing Director, Myanma Electric Power Enterprise
22. Director General, Directorate of Trade
23. Director General, Immigration and National Registration Department
24. Director General, Directorate of Labour
25. Chairman, Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI)

GOVERNMENT OF THE UNION OF MYANMAR

MYANMAR INVESTMENT COMMISSION

653 / 691, Merchant Street, Yangon.

Our ref : YaKa-1/ Na-56 / /2005 (3121-Ah)
Dated : 3 May 2005.

Tel : 372219, 372890
Fax : 095-01-254660

Subject : Decision of the Myanmar Investment Commission on the Proposal for "Exploration and Production of Oil & Gas" under the name of "ESSAR Oil Ltd."

Reference: Ministry of Energy letter No. 008/623/Hta dated 19-3-2005.

1. The Myanmar Investment Commission, at its meeting 12/2005 held on 28-3-2005, had reviewed the proposals for investment in "Exploration & Production of Oil & Gas" for Rakhine offshore Block (A-2) under the name of " ESSAR Oil Ltd (India)" pursuant to the Production Sharing Contract to be signed between Myanma Oil & Gas Enterprise and ESSAR Oil Ltd. After careful review, it was deliberated that the proposed project be approved in principle for implementation and the proposal be submitted to the Cabinet meeting for final approval.

2. The Cabinet, at its meeting 14/2005 held on 12-4-2005, resolved to permit the implementation of the said project. Hence, the "Permit" is herewith issued in accordance with Chapter VI, Section 10 of the Union of Myanmar Foreign Investment Law and Chapter VI, Rule 13 of the Procedures relating to the said Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be an initital term of 4 years, comprising 12 (Twelve) months for study period which can be extended 3 (Three) months and 3 (Three) years for exploration period which can be extended one year at a time for 2 (Two) times.

4. ESSAR Oil Ltd, shall pay royalty to the Government equal to 10 (Ten) percent of the value of Available Petroleum from the Contract Area.

5. ESSAR Oil Ltd, shall pay a Data Fee to the amount of US$ 210,000 (United States Dollars Two Hundred and Ten Thousand Only) to Myanma Oil and Gas Enterprise within 20(Twenty) days after the Effective Date.

6. ESSAR Oil Ltd, shall pay to the amount of US$ 2,100,000 (United States Dollars Two Million One Hunderd Thousand Only) as Signature Bonus within 20 (Twenty) days after the Commencement date of the initial term of the Exploration Period to Myanma Oil and Gas Enterprise.

7. ESSAR Oil Ltd, shall pay Production Bonus to Myanma Oil and Gas Enterprise with respect to each crude oil Development and Production Area as follows:

Production Bonus
Crude Oil

At BOPD (Barrels Per Day)	US $ (Million)
Upon approval of Development Plan	1.0
25,000	1.0
50,000	2.0
100,000	3.0
150,000	4.0
200,000	5.0

Natural Gas

At MMCFD	US $ (Million)
Upon approval of Development Plan	1.0
150	1.0
300	2.0
600	3.0
750	4.0
900	5.0

8. Production Split between Myanma Oil and Gas Enterprise and ESSAR Oil Ltd, shall be allocated for Development and Production Area as follows:

Water Depth 600 Feet or Less;

Crude Oil

BOPD	MOGE (%)	CONTRACTOR (%)
0 - 25,000	60	40
25,001 - 50,000	65	35
50,001 -100,000	80	20
100,001-150,000	85	15
>150,000	90	10

Natural Gas

MMCFD	MOGE (%)	CONTRACTOR (%)
0 - 300	65	35
> 300	70	30

9. After the commencement of commercial production of Crude Oil, ESSAR Oil Ltd, shall fulfill as its obligation 20 (Twenty) percent of Crude Oil and 25 (Twenty Five) Percent of Natural Gas toward the supply of the domestic Crude Oil market and Natural Gas market in Myanmar. Myanma Oil and Gas Enterprise shall pay the price equivalent of 90 (Ninety) percent of the Fair Market value.

10. ESSAR Oil Ltd, shall provide Training Fund to the amount of US$ 50,000 (United States Dollars Fifty Thousand Only) per annum for Exploration Period and US$ 100,000 (United States Dollars One Hundred Thousand Only) per annum for Production Period and shall also provide Research and Development Fund to the amount of 0.5 (Zero Point Five) percent of its share of profit Petroleum in favour of Myanma Oil and Gas Enterprise.

11. ESSAR Oil Ltd, is liable to pay the Government the following tranches out of the net profit made on the sale or transfer of the shares in the Company.

(a)	If the amount of Net Profit is up to US$ 100 million (United States Dollars One Hundred Million Only)	40%
(b)	If the amount of Net Profit is between US$ 100 million (United States Dollars One Hundred Million Only) and US$ 150 million (United States Dollars One Hundred and Fifty Million Only)	45%
(c)	If the amount of Net Profit is over US$ 150 million (United States Dollars One Hundred and Fifty Million Only)	50%

12. In issuing this "Permit", the Commission has granted the following exemptions and reliefs :

(a) As per Section-21(e), ESSAR Oil Ltd, shall have the right to pay income-tax payable to the State on behalf of foreigners who have come from abroad and are employed for the project.

(b) As per Section-21(f), the Commission has also approved the right to pay income-tax on the income of the above-mentioned foreigners at the rates applicable to the citizens residing within the country.

(c) As per Section-21(i) and (j), exemption from customs duty and all other internal taxes on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which they are imported as they are actually required, and also on such raw materials imported during the period of exploration.

13. ESSAR Oil Ltd, shall have to sign the Production Sharing Contract with Myanma Oil and Gas Enterprise. After signing such Agreement, (5) copies each of those shall have to be forwarded to the Commission.

14. ESSAR Oil Ltd, in consultation with the Department of Company Registration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum and Articles of Association shall have to be forwarded to the Commission.

15. ESSAR Oil Ltd, shall use its best efforts for timely realization of works stated in the Proposal. If none of such works has been commenced within one year from the date of issue of this "Permit", it shall become null and void.

16. The official date of operation shall be reported to the Commission.

17. ESSAR Oil Ltd, shall endeavour to meet the targets for Exploration and Production of Petroleum stated in the proposal as the minimum target.

18. The Commission approves periodical appointments of foreign experts and technicians from abroad as per Proposal. ESSAR Oil Ltd, shall have to consult with Directorate of Labour, Ministry of Labour for appointment of such foreign experts and technicians.

19. In order to evaluate foreign capital in terms of Kyats and for the purpose of its registration in accordance with the provision under Section-24 of the Union of Myanmar Foreign Investment Law, it is compulsory to report as early as possible in the following manner:-

(a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened;
(b) the detailed lists of the type and value of foreign capital defined under Section-2(h) of the said Law, other than foreign currency, to the Chairman, Foreign Capital Evaluation Committee.

20. Whenever ESSAR Oil Ltd, brings in foreign capital defined under Section-2(h) of the said Law, other than foreign currency in the manner stated in paragraph 19(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

21. After all types of foreign capital (foreign currency and other types of foreign capital) have been brought into Myanmar, a report shall have to be submitted to the Commission as prescribed, vide letter No. Na-Ya 9/101/92(416) dated 3-12-92 [Annexure(1)].

22. ESSAR Oil Ltd, shall report to the Commission of any alteration in the physical and financial plan of the project. Cost over-run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

23. ESSAR Oil Ltd, shall be responsible for the preservation of the environment at and around the area of the project site. Hence, it shall observe the directive issued by the Commission vide letter No. Ya Ka-1/139/94(0440) dated 30-6-94 [Annexure(2)] to undertake all proper treatment systems and other necessary environmental control systems.

24. Payment of principal and interest of the loan (if any) as well as payment for import of raw materials and spare parts etc. shall only be made out of the official foreign exchange earnings of ESSAR Oil Ltd.

25. ESSAR Oil Ltd, in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter VIII, Rule 15 of the Procedures relating to the Union of Myanmar Foreign-Investment Law.

(U Thaung)
Chairman

Managing Director
Myanma Oil and Gas Enterprise.

cc: 1. Office of the Chairman of State Peace and Development Council
2. Office of the State Peace and Development Council
3. Office of the Government of the Union of Myanmar
4. Office of the Chief of Military Intelligence, Ministry of Defence

5. Ministry of National Planning and Economic Development
6. Ministry of Finance and Revenue
7. Ministry of Commerce
8. Ministry of Energy
9. Ministry of Foreign Affairs
10. Ministry of Home Affairs
11. Ministry of Immigration and Population
12. Ministry of Labour
13. Ministry of Electric Power
14. Chairman, Foreign Capital Evaluation Committee
15. Director General, Directorate of Investment and Company Administration
16. Director General, Customs Department
17. Director General, Internal Revenue Department
18. Managing Director, Myanma Foreign Trade Bank
19. Managing Director, Myanma Investment and Commercial Bank
20. Managing Director, Myanma Insurance
21. Managing Director, Myanma Electric Power Enterprise
22. Director General, Directorate of Trade
23. Director General, Immigration and National Registration Department
24. Director General, Directorate of Labour
25. Chairman, Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI)